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Embassy spies may have done more damage than Walkers

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The Soviet KGB intelligence service last year penetrated the U.S. Embassy in Moscow, gaining access to communications equipment, top secret documents, the defense attache's office and "other sensitive intelligence spaces," according to military court papers.

An administration official said a preliminary investigation of the espionage case involving two Marine security guards indicates that the security breach is one of the most serious intelligence failures in U.S. history. A wide range of intelligence techniques, sources and methods were compromised by the KGB operation, said the official, who declined to be named.

"The damage can only be estimated, but I believe it is

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incalculable," said the official. "The worst part is that we may never know how much was lost."

The official said the damage appeared worse than that caused by the Walker espionage ring uncovered in 1985. Former Navy radioman John Walker, his son, his brother and a Navy associate were convicted of passing top secret code information to the Soviets in what has been considered one of the worst U.S. spy cases.

The first stage of a damage assessment in the case of the two Marines, Sgt. Clayton Lonetree and Cpl. Arnold Bracy, could be completed sometime this week, the official said. Both Marines were seduced into spying by two female Soviet nationals employed by the U.S. Embassy, the official said.

The most detailed account of the KGB operation is contained in documents listing three additional charges the Marine Corps filed against Sgt. Lonetree on Friday. Previously, Sgt. Lonetree had been charged with 19 counts, including espionage for conspiring with three Soviet KGB agents.

The official said the new charges stemmed from a recent interrogation of Cpl. Bracy by U.S. counterintelligence officials. He was arrested last week on suspicion of espionage,

but has not been formally charged. Both men are being held in solitary confinement at the Marine base in Quantico, Va.

Sgt. Lonetree, a security guard at the U.S. embassies in Moscow and Vienna until his arrest in December, conspired with Cpl. Bracy to allow Soviet personnel to enter the U.S. Embassy in Moscow on numerous occasions, when Soviet agents were permitted to "peruse" the building, according to Marine Corps documents.

Between January and March 1986, Sgt. Lonetree assisted "unauthorized personnel to enter and examine for extended periods of time, secure and unsecure areas of the U.S. Embassy, Moscow, U.S.S.R., to include the defense attache office, the communications processing unit, and other sensitive areas, such information being related to the national defense," the documents state.

The communications processing unit and other areas of the embassy "contain cryptographic information," according to the court papers.

Sgt. Lonetree also gave Soviet agents access to "classified contents of burn bags," the documents say. Burn bags are used to destroy secret papers of intelligence operatives.

Intelligence experts said the communications center in Moscow is manned by a CIA operative who uses cryptographic information to send coded communications to the United States.

Cpl. Bracy acted as a "lookout" for Sgt. Lonetree and the Soviets, the documents state. Sgt. Lonetree is accused of conspiring with Cpl. Bracy in "monitoring, silencing and securing various alarms" set off by Soviet agents.

The two Marines also provided "false information to the regional security coordinator and duty communicator concerning the cause of

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alarm activations in the communications processing unit," according to the documents. Sgt. Lonetree paid Cpl. Bracy "about \$1,000" for cooperating in the operation.

One intelligence source said the most serious damage may involve the compromising of sensitive U.S. communications gear.

The source said the Marines are suspected of allowing Soviet agents to enter secured "vaults" in the embassy, where cryptographic equipment is stored and where U.S. officials believe the KGB planted electronic listening devices inside communications and code equipment.

Also being examined is the possibility that the Soviets copied or integrated circuits in equipment used to construct complicated codes for enciphering communications, the source said.

Combined with the code information the Soviets obtained in the espionage ring led by former Navy radioman John Walker, the Soviets would have learned about the methodology of U.S. codes, providing KGB specialists with what is known as a "break" in the effort to crack U.S. intelligence codes.

N. Scot Miler, a former CIA counterintelligence official, said he believes the KGB used the sexual entrapment of the two Marines in a deliberate operation to gain access to U.S. secrets.

In an interview, Mr. Miler said the operation appeared to be a "very serious loss" for intelligence operations in Moscow, which he described as one of the most important embassies in the world for Western intelligence agencies.

"If indeed they [the KGB] were allowed access to the areas identified in press accounts, that's pretty extensive," Mr. Miler said. "There would really be nothing that they couldn't get into."

Mr. Miler said the Soviets were not likely to gain access to code equipment, which is normally

locked away and inaccessible to Marine guards.

However, given enough time inside the embassy, KGB safecrackers could have reached the equipment, he said.

U.S. security officials "are not going to be able to say we found this one and that ends it," he said. "They [the KGB] could have put in one type of device and then a second under the assumption they would eventually be discovered. But then they'll have a third type that won't."

The Soviets may have used plastic microphones that are difficult to find with standard metal detectors, or high-tech bugs that can shut off automatically during electronic searches.

With inside information on CIA operatives and their personal habits, the KGB would be in a position to mount recruitment efforts, or could easily provoke an embarrassing arrest, Mr. Miler said.

Also, if the KGB learned security procedures in Moscow, the information could be applied to other U.S. diplomatic facilities around the world, he said.

George Carver, another former CIA official, said the damage to CIA operations appears "chilling" and that some intelligence officers may have been transferred because their identities were revealed. It takes five to seven years to prepare a CIA operative for duty in Moscow.

Mr. Carver said much more information is committed to paper in Moscow because Soviet electronic eavesdropping "is a fact of life." With access to classified information contained in burn bags, the Soviets could acquire a great deal of valuable intelligence, he said.

If the Soviets were allowed into "vaulted areas" in the embassy, they would have been able to read classified documents left in the open by careless officials who considered the area safe from spying, Mr. Carver said.

The breach of security at the U.S.

Embassy in Moscow is the latest in a series of damaging espionage cases that outgoing FBI Director William Webster called unprecedented in U.S. history. Besides the Walker spy ring, they include:

- Edward Howard, the first CIA agent known to have defected to the Soviet Union, who was fired from the CIA in 1983, disappeared in 1985 and surfaced in Moscow Aug. 7, 1986. Howard reportedly betrayed the CIA's method of contacting Soviets on its payroll — called "assets" in intelligence parlance — leading to the execution of one and the arrest of others.

- Ronald W. Pelton, a former communications specialist for the National Security Agency, who was sentenced in December to three life terms in prison for selling military secrets to the Soviets, including a \$1 billion submarine reconnaissance operation used to eavesdrop on Soviet communications in the Sea of Okhotsk.

- Bruce D. Ott, an airman at Beale Air Force Base, Calif., who was sentenced Aug. 7 to 25 years in prison for trying to sell information about the supersecret "Stealth" bomber to FBI agents posing as Soviet agents.

- Richard W. Miller, the only FBI agent ever charged with spying, who was convicted in Los Angeles last June of passing secrets to a lover, a female Soviet undercover agent. He was sentenced July 14 to two concurrent life terms plus 50 years in prison.

- Larry Wu-Tai Chin, a CIA translator for 30 years, who was convicted February 1986 of spying for his native China. He committed suicide in jail shortly afterward while awaiting sentencing.

- Jonathan Pollard, a former U.S. Navy intelligence analyst, who was sentenced to life in prison earlier this month for selling classified code information to Israel. His wife, Anne, was sentenced to five years for her role as an accomplice.